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**Department of Energy Selects Uranium Disposition
Services for Uranium Hexafluoride Conversion
Plants in Ohio and Kentucky**

WASHINGTON, DC - The Department of Energy (DOE) announced today the competitive selection of Uranium Disposition Services, LLC to design, build, and operate facilities in Paducah, Kentucky and Portsmouth, Ohio to convert the government's inventory of depleted uranium hexafluoride (DUF_6) for disposal and/or reuse. The contractor will also be responsible for maintaining the depleted uranium and product inventories and transporting depleted uranium from Oak Ridge, Tennessee, to the Portsmouth, Ohio, plant for conversion.

Uranium Disposition Services, which was formed specifically to bid on this new contract, was formed by Framatome ANP Inc., Duratek Federal Services Inc., and Burns and Roe Enterprises Inc. The estimated value of the contract is \$558 million. The contract is being awarded today after a full and open competition and is consistent with Public Law 107-206 recently enacted by Congress mandating the construction of the two facilities. Design, construction and operation of the facilities will be subject to appropriations of funds from Congress. Five companies submitted proposals.

The Department of Energy has a large inventory of DUF_6 material with 56,000, 198,000 and 450,000 metric tons currently stored at its facilities in Tennessee, Ohio, and Kentucky respectively. DUF_6 is a material byproduct of weapons production activities that occurred over the years at the three facilities.

This contract runs from August 29, 2002 to August 3, 2010. The conversion plants will convert the DUF_6 material to triuranium octoxide (U_3O_8) which will be suitable for use or disposal. Uranium Disposition Services will operate these facilities for five years after construction has been completed.

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